

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

200 W. Washington, Suite 301  
Indianapolis, IN 46204  
(317) 233-0696  
<http://www.in.gov/legislative>

**FISCAL IMPACT STATEMENT**

**LS 7286**

**BILL NUMBER:** HB 1487

**NOTE PREPARED:** Jan 12, 2013

**BILL AMENDED:**

**SUBJECT:** Foreclosure Prevention.

**FIRST AUTHOR:** Rep. Forestal

**FIRST SPONSOR:**

**BILL STATUS:** As Introduced

**FUNDS AFFECTED:**     **GENERAL**  
                              **DEDICATED**  
                              **FEDERAL**

**IMPACT:** Local

**Summary of Legislation:** The bill requires a court, in a mortgage foreclosure action with respect to an occupied dwelling, to consider evidence concerning the effect of the foreclosure. The bill requires the court to withhold entry of judgment in a foreclosure action for 180 days if the court finds: (1) entry of a judgment of foreclosure will have a negative effect on the occupant or neighborhood, or may lead to the house becoming vacant; and (2) there is a reasonable possibility that withholding entry of judgment in a foreclosure action will reduce the negative effects.

**Effective Date:** July 1, 2013.

**Explanation of State Expenditures:**

**Explanation of State Revenues:** Generally, court filing fees are not refunded if a case is disposed before the court. If more mortgage foreclosure suits are dismissed because of the bill, court fees paid at the filing of a mortgage foreclosure suit including the \$50 mortgage foreclosure counseling and education fee would not be refunded. Therefore, there would be no impact on state General Fund revenues.

**Explanation of Local Expenditures:** *Summary:* Courts may be able to dismiss more foreclosure actions if, during the interim six months, more persons bought residential dwellings involved in the actions.

*Background:* The following table provides a recent history of the number of foreclosure cases filed, disposed, and dismissed in either circuit or superior court from CY 2005 - CY 2011. (CY 2012 data are not yet

available.)

<b>Mortgage Foreclosure Court Case Statistics 2005-2011</b>				
<b>Calendar Year</b>	<b>Cases Filed</b>	<b>Cases Disposed</b>	<b>Cases Dismissed</b>	<b>Percent Dismissed of Disposed</b>
2011	30,272	28,417	9,882	34.8%
2010	41,274	36,680	9,407	25.6%
2009	40,905	38,268	9,511	24.9%
2008	45,394	44,815	10,792	24.1%
2007	43,804	42,600	9,756	22.9%
2006	40,896	39,091	9,202	23.5%
2005	34,142	31,414	7,632	24.3%

**Explanation of Local Revenues:** Similarly, as in the explanation of state revenues, revenue from local mortgage foreclosure court filing fees in cases that have been disposed would not be impacted as a result of the bill.

**State Agencies Affected:**

**Local Agencies Affected:** Circuit and Superior Courts.

**Information Sources:** Division of State Court Administration: *Indiana Judicial Service Reports 2005-2011*.

**Fiscal Analyst:** Chris Baker, 317-232-9851.